



Personal Care Services



2007 Cost Report Training

Presented by: Lynne Testa, Tabitha Lee, & Cindy Bass
North Carolina Department of Health and Human Services
Division of Medical Assistance

The Purpose of Cost Reporting

- To enable the DMA Rate Setting section to establish a reasonable reimbursement rate for Personal Care Services by capturing accurate cost data for services being provided to Medicaid clients.





Things to remember...

- Due date of the 2007 PCS Cost Report – July 25, 2008.
- If the cost report is not received on time or is received incomplete, a 20% withholding penalty will be applied to future Medicaid payments.
- Financial Statements must support the cost data submitted on the cost report.
- The cost report will be considered incomplete without the financial statements.

More things to remember...

- Cost reports must be mailed or delivered to the Rate Setting section. Faxes will not be accepted.
- Original signatures are required.
- If a provider delivers multiple services, the Schedule D must be utilized to illustrate the allocation of costs to the Personal Care Services.

Getting Started...Schedule A

1a. Tax ID#:	1 b. Medicaid Provider Number:	1 c. National Provider Identifier #
2. Name of Agency:		
Street or P.O.		
City, State, Zip Code		
Agency Telephone No.:		
3. County Name Agency Resides In		
4. Owner (s)		
5. Contact Person, if different from above		
6. Contact Telephone Number		

■ General Information Concerning Your Company



Part II - Tax Information

8a. Non Profit

- ☐ 1. Private
☐ 2. Other _____

8b. For Profit

- ☐ 3. Sole proprietorship ☐ 5. Partnership
☐ 4. Corporation ☐ 6. Other _____

Part III - Other Reporting Information

9. Cost Report Period: From:

To:

10. Type of accounting method used:

☐ CASH

☐ ACCRUAL

11. Basis of allocating costs within cost report, if you provide more than personal care services:

Line 11 – If allocations are made for overhead or other expenses (costs), please explain the basis of the allocations.



Certification of Accuracy

Part IV - Certification of Accuracy

I hereby attest that I have examined the information contained in this report; that all such information has been prepared from the books records of the provider named within; that the aforesaid information is true and correct to the best of my knowledge; that our agency has on file and proper client authorization for these services and the necessary documentation to support these costs, and that all costs reported period are within the indicated above.

Provider's Signature	Title:	Date
Preparer's Name	Title:	Date
Preparer's Telephone Number:	Preparer's Email Address:	Preparer's Fax Number:

- An original signature is required.
- If there are questions concerning your cost report, this is the first place we look to find out how to contact you.

Schedule A-1

SCHEDULE OF GENERAL INFORMATION - CONTINUED			SCHEDULE A-1	
NAME: (Schedule A: item 1)		Tax ID#	PROVIDER#	
		0	0	
MEDICAID PROVIDER #: (Schedule A: item 1)				
	NAME	MEDICAID PROVIDER #	AGENCY ADDRESS	COUNTY
1				
2				
3				

- Complete this form if the cost report represents multiple Medicaid provider numbers within a single corporation and separate sets of books are not kept.
- The provider numbers listed should only be PCS, PCS-Plus or CAP-DA.
- If separate books and records are maintained, then a separate cost report must be completed for each entity.

Schedule of Profit & Loss (Schedule B)

- The revenue figures will be compared to the agency's total revenues on the financial statements accompanying the cost report. The total revenues reported on the cost report should equal the total revenues on the Profit & Loss Statement (also known as the Income Statement).
- If any allocations are made in the placement of figures on this form, the method of allocation should be explained on Schedule D.
- Line 1, Medicaid Personal Care Service revenue includes PCS & PCS-Plus.

REVENUES:	1	2
RECEIPTS FROM THE MEDICAID		
1. MEDICAID PERSONAL CARE SERVICE		
2. MEDICAID CAP-DA In Home Aide II & III PCS		
3. OTHER:		
4.		
5.		
6. TOTAL RECEIPTS FROM MEDICAID (Add lines 1-5)		\$ -
RECEIPTS FROM OTHER STATE AGENCIES OR THE COUNTY		
7.		
8.		
9.		
10. TOTAL RECEIPTS FROM OTHER STATE/COUNTY SOURCES (Add lines 7, 8, and 9)		\$ -

More reported revenue...

RECEIPTS FROM PRIVATE CLIENTS

11. PRIVATE PAY RECEIPTS		
12.		
13.		
14. TOTAL RECEIPTS FROM PRIVATE CLIENTS (Add lines 11, 12 and 13)		\$ -

NON-CLIENT RELATED REVENUE

15. RECEIPTS FROM OTHER SOURCES		
16.		

Schedule B Totals

- The lines that are to be added together are noted in parenthesis under the title of the line.
- Please double check your math.
- Line 19 – Total Expenses, should equal the expenses shown on the Income Statement. Line 19 should also equal line 98 on Schedule C.
- Line 20 – Net Profit (Loss), should equal the net profit or net loss as shown on the income statement.

17. TOTAL NON-CLIENT RELATED REVENUES (Add Lines 15 and 16)		\$ -
18. TOTAL INCOME REPORTED (Add Lines 6, 10, 14, and 17)		\$ -
19. LESS: TOTAL EXPENSES (Value should equal Schedule C, Line 98, Column 3)		
20. NET PROFIT (LOSS) (Subtract Line 19 from Line 18)		\$ -



Schedule C – Expenses

Personal Care Expenses within the Medicaid Service Definition

- Column 1:
Only paid hours are to be used in determining the hours worked. Paid hours include holidays, sick time, and overtime. The overtime hours should be the actual hours worked and not the overtime ratio of 1 ½ hours used to calculate the pay. These hours should correspond to the costs shown in column 3.
- Column 2:
Supply any hours provided for the provision of personal care services for which payment or compensation was not made to the individual. These could be hours worked by the owner, qualified volunteers, etc.

A vertical stack of four images on the left side of the slide. From top to bottom: a blue clock face on a blue background, a red clock face on a red background, a green book on a green background, and a blue book on a blue background.

Question: Why are the hours so important?

Answer: The total billed hours are divided into the total of all allowable costs to calculate the average cost per billed hour. In other words, this is how a Medicaid reimbursement rate increase is justified.



For whom do we track the paid and unpaid hours?

- Nurses
- Aides
- Others – Anyone associated with the provision of personal care within the Medicaid service definition, this could include clinical administrators or schedulers.



Allowable Personal Care Expenses Within the Medicaid Service Definition (Outlined in the Clinical Policy)

- Salaries
- Payroll Taxes
 - FICA
 - FUTA
 - SUTA
- Employee Benefit Program
 - Dental insurance
 - Health insurance
 - Life insurance
 - Retirement
 - Worker's compensation
 - Uniforms



■ Training Costs

- Tuition/Registration fees
- Training materials

■ Travel Costs (to attend training)

- Mileage reimbursement
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility when incurred for business related purposes
- Parking fees when incurred for business related purposes

■ Contract Services (don't forget the hours)



■ Transportation Costs (to provide PCS)

- Vehicle Maintenance & Upkeep – Gas, oil, tires, registration fees, repairs, etc.
- Reimbursed Employee Transportation – When an employee uses their own vehicle to deliver personal care services.
- Vehicle Depreciation – Allocate only the portion of the costs associated with the delivery of PCS if the same vehicle is used for administrative purposes too.
- Vehicle Rent – Allocated based on the usage applied to delivery of PCS.
- Vehicle Interest – All interest expense on vehicles used for personal care transportation.
- Vehicle Insurance – All insurance expense on vehicles used for medical transportation.



- Other Direct Costs – This line is for costs associated with the delivery of PCS not classifiable in any of the other cost centers. Please make a note on the cost report as to what these items are.
- Subtotals & Totals – Please double check your math (hours & dollars).
- This takes care of lines 30 – 57 of the cost report.

Allowable Personal Care Expenses Outside the Medicaid Service Definition

- Covers lines 58 – 65 of the cost report.
- Examples may include:
 - Transportation for shopping
 - Painting in house
 - Medication reminders
- The same rules apply for:
 - Recording hours
 - Salaries
 - Payroll taxes
 - Employee Benefits
 - Contract Services
 - Miscellaneous

Indirect Cost Centers

Schedule C (continued)

Indirect Cost Centers	1	2	3
ADMINISTRATION & GENERAL			
66. Salaries and Wages - Administrator(s)/Owner(s)			
67. Salaries and Wages - Other Support staff			
68. Payroll Taxes			
69. Employee Benefit Program			
70. Meetings / Seminars / Training			
71. Travel Costs			
72. Contract Services			0.00
73. Employee Criminal Records Check Fees			
74. Management Services			
75. Central Office Overhead			
76. Other Administrative expenses			
77. TOTAL OF ADMINISTRATION & GENERAL (Add Lines 66-76)(Columns 1, 2 & 3)	0.00	0.00	\$ -

- Lines 66 – 72 - Here we are taking into account the administrator, support staff and contract services. Same rules apply to this set of cost centers as lines 30 – 65.
- Line 76, Other Administrative Expenses could include:
 - Office supplies & materials
 - Legal & Accounting
 - Interest expense
 - Due & subscriptions
 - Insurance
 - Licenses
 - Etc.



OPERATIONS / MAINTENANCE			
78. Salaries and Wages			
79. Payroll Taxes			
80. Employee Benefit Program			
81. Contract Services	0.00		
82. Supplies			
83. Other Operations/Maintenance expenses			
84. TOTAL OF OPERATIONS / MAINTENANCE (Add lines 78-83) (Columns 1, 2 & 3)	0.00	0.00	\$ -

- Lines 78 – 81, The same rules apply as before from similar cost centers.
- Line 82, Supplies may include chemicals, tools, shop supplies, lawn mover, etc.
- Line 83, Other Operations/Maintenance Expenses may include:
 - Automobile & Truck Maintenance & Upkeep
 - Repairs & Maintenance – Buildings & Grounds – cost of materials and labor
 - Repairs & Maintenance – Equipment – cost of materials and labor
 - Utilities
 - Electricity
 - Natural Gas
 - Fuel Oil
 - Water & Sewer Services
- Line 84 – Total of Operations/Maintenance



Capital Cost Center		
PROPERTY / OWNERSHIP / USE		
85. Depreciation		
86. Rent for Facility		
87. Other Capital expenses		
88. TOTAL OF PROPERTY / OWNERSHIP / USE: CAPITAL COST CENTER (Add Lines 85-87) Expenses in column 3)		\$ -

- Line 85, Depreciation is prorated over the life of the asset.
 - Land Improvements – parking lots, sidewalks, curbs & guttering.
 - Buildings & Improvements
 - Equipment – Office furniture & fixtures, patients' room furniture & fixtures, office machines & equipment, telephone equipment, etc.
- Line 86, Rent for Facility
- Line 87, Other Capital Expenses
 - Real Estate taxes
 - Mortgage Interest
 - Interest – Other Capital Assets, the cost of mortgage interest on fixed assets.
 - Insurance – Fixed Assets (property only)
 - Etc.
- Line 88, Total of the Capital Cost Center



Non-Allowable Cost Center		
NON-ALLOWABLE		
89. Bad Debt		
90. Marketing to increase business		
91. Other related party transactions		
92. Miscellaneous		
93. TOTAL OF NON-REIMBURSABLE (Add lines 89-92)		\$ -

- Line 89, Bad Debt
- Line 90, Marketing to Increase Business – cost of brochures, fliers, & advertising in the newspaper for the purpose of the agency to increase business.
- Line 91, Other Related Party Costs – the increase in cost of doing business with a related party over doing business with an unrelated party.
- Line 92, Miscellaneous
 - State & Federal income taxes
 - Penalties (example: taxes)
 - Bank charges (example: NSF & overdraft fees)
 - Gifts for employees
 - Flowers
 - Donations & contributions
 - Gifts for clients
 - Vending Services
 - Other miscellaneous matters (please attach a sub-schedule explaining line items included in this total)
- Line 93, Total of Non-Reimbursable Costs

Summary of Cost Center Totals

Summary of Cost Center Totals		1	2	3
94.	TOTAL OF DIRECT COST CENTERS (Add Lines 57, 65) (Hours in Column 1 and 2 and Expenses in Column 3)	0.00	0.00	0.00
95.	TOTAL OF INDIRECT COST CENTERS (Add Lines 77, 84) (Hours in Column 1 and 2 and Expenses in Column 3)	0.00	0.00	\$0
96.	TOTAL OF CAPITAL COST CENTERS (Add Line 88) (Expenses in Column 3)			\$0
97.	TOTAL OF NON-ALLOWABLE COST CENTERS (Add Line 93) (Expenses in Column 3)			\$0
98.	TOTAL OF ALL COST CENTERS (Add Lines 94, 95, 96, 97) (Hours in Column 1 and 2 and Expenses in Column 3)	0.00	0.00	\$0
99.	TOTAL OF ALL ALLOWABLE COSTS (Add Lines 57, 95, 96) (Hours in Column 1 & 2 & Expenses in Columns 3)	0.00	0.00	\$0
100	TOTAL BILLED HOURS (enter figure here) (Line 100 can not be greater than Column 1 - Line 94)			0
101	AVERAGE COST PER BILLED HOUR (Line 99 divided by Line 100)			

- The good news is that if you are using the Excel version of the 2007 Cost Report, it will calculate the totals automatically. The best news is that you are almost finished with the cost report.
- A few items to remember:
 - Make sure you are adding the correct lines together.
 - Please double check your math.
 - The total billed hours on line 100 should never exceed the total hours associated with the direct cost centers on line 94.



Schedule D – Basis of Allocating Expenses Between Personal Care Services and Other Agency Services

Description of Line Item (Expense/Cost)	Line item	Direct Charged or Allocated	Basis of Allocation
Salaries and Wages			
Payroll Taxes			
Employee Benefit Program			
Contract Services			
Rent - Facility			

Schedule D is to be used to indicate the method of allocating costs and is required for any agency/provider that:

- Delivers multiple services
- Is submitting multiple cost reports by provider number with accompanying individual financial statements
- Is using differing methods of cost allocation within the PCS Cost Report. Schedule D allows for an explanation of different allocation methods for different line items.

Financial Statements

ANYGOOD PCS HEALTH SERVICES
ABC AVENUE SUITE 1-A
ANYPLACE, NC 27000

PROFIT & LOSS STATEMENT
FOR THE PERIOD OF
01/01/2007 - 12/31/2007

SAMPLE

Provider # 1234567
Fed. Tax ID# - 56000000
NPI # 55555555

ACTUAL

INCOME/REVENUE

PCS PCS PLUS MEDICAID FUNDS	\$	289,380.00	Line 1
CAP-DA MEDICAID FUNDS	\$	197,856.00	Line 2
PRIVATE PAY CLIENTS	\$	52,130.00	Line 11
DIVIDEND INCOME	\$	783.00	Line 16
TOTAL INCOME	\$	540,149.00	Line 18

EXPENSES

ADVERTISING	\$	1,915.65	Line 90
AUTOMOBILE EXPENSES	\$	5,137.07	Line 71
BAD DEBT	\$	524.00	Line 89
BANK SERVICE CHARGES	\$	144.02	Line 92
CONTRACT LABOR - NURSES	\$	471.99	Line 35
CONTRIBUTIONS	\$	25.52	Line 92
DEPRECIATION EXPENSE	\$	5,100.75	Line 85
DUES AND SUBSCRIPTIONS	\$	1,643.00	Line 76
EMPLOYEE BONUSES	\$	2,804.86	Line 92
GIFTS - OFFICE OR CLIENT	\$	1,205.35	Line 92
INSURANCE-LIABILITY	\$	358.58	Line 76
INSURANCE-WORKER'S COM	\$	1,819.90	Line 76
INSURANCE-HEALTH	\$	4,348.35	Line 69
LABORATORY FEES	\$	113.94	Line 76
LICENSES AND PERMITS	\$	596.71	Line 76
MEALS	\$	828.99	Line 92
OFFICE SUPPLIES AND EXPENSES	\$	11,007.27	Line 76
PAYROLL - NURSES	\$	29,989.37	Line 30
PAYROLL - AIDES	\$	285,162.28	Line 39
PAYROLL - ADMINISTRATORS/OWNERS	\$	50,551.61	Line 66
PAYROLL - CLERICAL	\$	11,831.47	Line 67
PAYROLL TAXES - NURSES	\$	752.38	Line 31
PAYROLL TAXES - AIDES	\$	25,576.50	Line 40
PAYROLL TAXES - ADMINISTRATORS/OWNERS	\$	4,461.28	Line 68
PAYROLL TAXES - CLERICAL	\$	1,098.12	Line 68
PROFESSIONAL FEES	\$	752.38	Line 76
REFERENCE MATERIALS	\$	25,576.50	Line 76
RENT	\$	24,000.00	Line 86
REPAIRS	\$	1,098.12	Line 83
SUPPLIES-OFFICE	\$	9,499.79	Line 76
SUPPLIES-OPERATIONS	\$	22,402.00	Line 82
TAXES	\$	81.99	Line 76
TELEPHONE	\$	5,514.35	Line 76
UTILITIES	\$	4,757.73	Line 83
TOTAL EXPENSES	\$	541,151.82	
TOTAL NET PROFIT	\$	(1,002.82)	

Final Housekeeping

- Please remember to make a full copy of the PCS Cost Report and Financial Statements before submitting them to Rate Setting.
- Please complete the survey and turn it in at the end of the session. We are very interested in your thoughts and we are dedicated to improving this process.
- Please make sure that you signed the roll sheet. We would like to have your e-mail addresses. That way, we can get information out to you quickly.
- Please continue to read the monthly Medicaid Bulletin for updates regarding your programs.



Any additional questions?




Mailing Address (Regular Mail)


Division of Medical Assistance
Finance Management – Rate Setting
Attn: Cindy Bass
2501 Mail Service Center
Raleigh, NC 27699-2501



Overnight Mailing Address (DHL, Fed Ex, UPS)



Division of Medical Assistance
Finance Management – Rate Setting
Attn: Cindy Bass
1985 Umstead Drive
Raleigh, NC 27603



Where can you find help if you have questions regarding your PCS Cost Report?

Cindy Bass, Rate Analyst

919-855-4214

cindy.bass@ncmail.net

Tabitha Lee, Rate Analyst

919-855-4203

tabitha.lee@ncmail.net

Lynne Testa, Chief

919-855-4195

lynne.testa@ncmail.net

If you need to e-mail us, please include your provider name, provider number, and “2007 PCS Cost Report” in the subject line. However, please note that we cannot accept your 2007 PCS Cost Report via e-mail.



Thank you for
attending!

